EXHIBIT 1

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CFTC Charges Company and its Principal in $147 Million Fraudulent Bitcoin Trading Scheme

Washington, DC – The Commodity Futures Trading Commission (CFTC) announced the filing of a civil enforcement action (Complaint) in the U.S. District Court for the Southern District of New York against defendants **Control-Finance Limited** (Control-Finance), a purported Bitcoin trading and investment company, and its principal, **Benjamin Reynolds** (together, defendants), both of the United Kingdom. The Complaint charges the defendants with exploiting public enthusiasm for Bitcoin by fraudulently obtaining and misappropriating at least 22,858.822 Bitcoin—worth at least $147 million at the time—from more than 1,000 customers.

CFTC Director of Enforcement Comments

Director of Enforcement James McDonald stated: “The CFTC will continue to vigorously police the Bitcoin markets, including fraudulent trading activity as alleged in the Complaint here. Fraud in these markets not only harms customers, but if left unchecked, it could also hinder innovation. We caution potential virtual currency customers, once again, that they should engage in appropriate diligence before purchasing or trading virtual currencies.”

Defendants’ Fraudulent Solicitations and Fabricated Trade Reports

The Complaint specifically alleges that since at least May 1 through October 31, 2017, the defendants used a website and accounts at popular social media sites to fraudulently solicit customers to purchase and transfer Bitcoin to them. The defendants induced customers into transferring Bitcoin to them by falsely representing that they employed expert virtual currency traders who earned guaranteed daily trading profits on all Bitcoin deposits.

The defendants made numerous material misrepresentations and omissions, including that they (1) earned customers 1.5 % in daily Bitcoin trading profits and up to 45% per month; (2) used risk diversification methods to protect customers’ Bitcoin deposits; and (3) provided a “safe haven” from Bitcoin market risks. In reality, the defendants made no trades on customers’ behalf, earned no trading profits for them, and misappropriated their Bitcoin deposits.

The defendants concealed their fraud by providing customers with sham account balances and profit figures that falsely reflected trading profits that did not exist. They also created fabricated weekly Trade Reports, which identified illusory, purportedly profitable virtual currency trades that Defendants never placed.

The Fraudulent “Affiliate Program” Pyramid Scheme

The defendants marketed and concealed their fraud through an elaborate pyramid scheme they called the Control-Finance “Affiliate Program.” Through the Affiliate Program, the defendants fraudulently promised to pay, in the form of Bitcoin, escalating referral profits, rewards, and bonuses to “Affiliates,” or persons who referred new customers to Defendants.

The Affiliate Program used referral hyperlinks that Affiliates could send to friends and family and post publicly on social media websites. New customers who clicked on a referral hyperlink were directed to the Control-Finance website to deposit Bitcoin with the defendants. The defendants then provided the Affiliate associated with the hyperlink with a nominal Bitcoin credit in the Affiliate's Control-Finance account. In reality, Affiliates' accounts, like all customer accounts, reflected sham balances that were not backed up by actual Bitcoin.

Misappropriation and Confusing Blockchain Transactions

According to the Complaint, the defendants misappropriated customers' Bitcoin deposits in two primary ways: (1) by executing uneconomical and confusing blockchain transactions to move customers' Bitcoin into other wallet addresses under Defendants' control; and (2) by illegally diverting customers' Bitcoin deposits to make Ponzi scheme-like payments to customers who requested account withdrawals.

The defendants' misappropriation scheme relied on creating unique single-use wallet addresses to receive customers' Bitcoin deposits. After customers deposited Bitcoin into the single-use addresses, the defendants routed the deposits to other, pooled wallet addresses that they created at virtual currency payment processors and exchanges throughout North America, Europe, and Asia. The Complaint alleges that the defendants moved customers' Bitcoin into these pooled wallet addresses through transactions that lacked any valid business purpose and were designed solely to conceal misappropriation.

In its continuing litigation, the CFTC seeks civil monetary penalties, restitution, rescission, disgorgement of ill-gotten gains, trading and registration bans, and permanent injunctions against further violations of the federal commodity laws, as charged.

The CFTC appreciates the assistance of the British Columbia Securities Commission.

This case is brought in connection with the CFTC Division of Enforcement's Virtual Currency Task Force, and CFTC staff members responsible for this action are Daniel J. Grimm, Kyong J. Koh, Dmitriy Vilenskiy, Jonah E. McCarthy, Christopher Giglio, Lauren Fulks, Luke B. Marsh, Paul G. Hayeck and former staff member John Einstman.